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DE RUEHIT #0542/01 1770913
ZNY CCCCC ZZH
P 260913Z JUN 07
FM AMCONSUL ISTANBUL
TO RUEHC/SECSTATE WASHDC PRIORITY 7196
INFO RUEHZL/EUROPEAN POLITICAL COLLECTIVE PRIORITY

C O N F I D E N T I A L SECTION 01 OF 02 ISTANBUL 000542

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DEPARTMENT FOR EUR/SE

E.O. 12958: DECL: 06/12/2017

TAGS: [PGOV](#) [TU](#)

SUBJECT: TUSIAD LUNCHEON WITH COMMERCE DEPUTY SECRETARY
SAMPSON

REF: A. IST 110

[1](#)B. ANKARA 1567

Classified By: Consul General Deborah K. Jones for reasons 1.4 (b) and (d).

[1](#)1. (SBU) Summary. Deputy Secretary of Commerce David Sampson, joined by Ambassador Wilson and Consul General, met with leaders of the Turkish Industrialists, and Businessmen,s Association (TUSIAD) on June 7 at TUSIAD,s headquarters in Istanbul. The discussion focused on the organization's mission and activities, Turkey-U.S. economic relations, ways to increase foreign direct investment (FDI) in both countries, and perceptions of the U.S. in Turkey. End summary.

TUSIAD AND TURKEY,S DOMESTIC ECONOMIC CLIMATE

[1](#)2. (SBU) TUSIAD's mission statement declares its dedication to "promoting public welfare through private enterprise." Ferit Sahenk, a TUSIAD board member and the chairman of Dogus Holding, commented that TUSIAD is "one of the most important actors in Turkish civil society." In the Turkish-American context, the organization seeks to (1) strengthen bilateral economic and commercial ties, (2) increase American FDI in Turkey and Turkish FDI in the U.S., and (3) encourage joint business ventures in Turkey and the Eastern European region generally. TUSIAD pursues its mission by hosting conferences and seminars; establishing direct contacts with government officials, business leaders, and academics; and issuing policy papers. Sahenk explained that its Washington, D.C. branch, TUSIAD-US, has daily meetings with the American-Turkish Council (ATC). TUSIAD firmly advocates Turkey,s accession to the European Union and maintains an office in Brussels in support of this goal.

[1](#)3. (SBU) TUSIAD board member Serif Egeli noted that Turkey has undertaken several reforms in the private sector in recent years to attract greater FDI. These reforms have paid off, he said, as evidenced by large investments in Turkey by General Electric, Citibank, and other major foreign corporations. In addition, he claimed that Turkey's current economic policies were formulated by the last government and simply implemented by the AKP, even though these policies "go against their (the AKP leadership's) religious beliefs." Commenting on Turkey,s perceived instability and uncertain political future, he said that such instability can cause grave economic problems but that "politics can also give business a boost." Deputy Secretary Sampson said he was impressed by the dramatic structural reforms that have taken place in Turkey in recent years.

TURKEY-U.S. ECONOMIC COOPERATION AND INVESTMENT

14. (SBU) Observing that "Turkey is still an unknown" in the U.S., Sahenk said his country needs to better market itself to American companies. He suggested that steps should be taken to allow businessmen from both countries "to get to know each other and each other's countries," adding that it was important to educate U.S. companies about the important role TUSIAD could play in helping them expand into Turkey's neighboring countries.

15. (SBU) Egeli said his organization would greatly appreciate the opportunity to meet American business leaders in New York, Florida, Texas, and other coastal states with large ports. He added that "Turkey has moved beyond just textiles," having made large strides in the areas of construction and food production, but that this development had to be made known to American companies. He concluded by noting the beneficial role the U.S. government could play in helping to resolve the Azeri-Armenian problem, as well as other outstanding issues between Turkey and Armenia. He said the resolution of such problems would allow Turkey to establish diplomatic and economic ties with Armenia, leading to increased trade and FDI for both countries.

16. (SBU) Deputy Secretary Sampson offered the U.S. government's assistance in identifying companies that could meet with TUSIAD leaders. He also noted the recent dramatic increase of American FDI in Turkey and welcomed further Turkish FDI in the United States.

THE UNITED STATES: TURKEY, S NEWEST NEIGHBOR?

17. (SBU) In response to a question posed by Deputy Secretary Sampson regarding Turkish public opinion of the

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United States, Sahenk noted that it is important to distinguish between anti-Americanism and opposition toward certain U.S. government policies. In Turkey, he said, the latter accounts for most negative perceptions of the United States. He added that apart from hostility engendered by the Iraq war and PKK violence (which many Turks believe is condoned if not supported by the U.S.), there is no widespread anti-American sentiment in the country.

18. (SBU) Egeli opined that Turkey traditionally has problems with its neighbors, and since the U.S. invasion and occupation of Iraq, "America has become Turkey's newest neighbor." He added that President Bush is perceived as "worse than Saddam"; when the latter was in power, Turkey at least had access to Iraq. But now Iraq is isolated and he claimed that Turkish-Iraqi trade has suffered enormously because of this.

19. (C) Comment. TUSIAD has traditionally represented pro-U.S. views and its board members and affiliates generally have strong U.S. educational and business ties. Recent polls highlighting Turkish public opinion toward the U.S. notwithstanding, the continuing popularity of American brands, stores, movies, and other cultural symbols suggests, in TUSIAD members' minds, that any hostility toward the U.S. is directed towards current foreign policies rather than our essential values or way of life. All agreed there was much more room for business. End comment.

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